



ADANSI RURAL BANK LIMITED.
"we grow you and your business"

ADANSI RURAL BANK LIMITED.

2019 ANNUAL REPORTS AND FINANCIAL STATEMENTS



ADANSI RURAL BANK LIMITED.
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ADANSI RURAL BANK LIMITED

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ADANSI RURAL BANK LIMITED NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual Shareholders' Meeting of Adansi Rural Bank Limited will be held virtually and streamed live on Zoom to shareholders from Adansi Fomena Head Office building at 9:00am on Saturday September 26, 2020.

AGENDA

1. To read the notice convening the meeting.
2. To receive the Chairman's Report
3. To confirm the minutes of the previous meeting.
4. To examine and approve the accounts for the financial year ended December 31, 2019, the reports of the Directors and Auditors thereon.
5. To authorize the Directors to fix the fees of the Auditors.
6. To approve the Directors remuneration.
7. To re-elect the Directors retiring
8. To transact any other business appropriate to be dealt with at AGM

By order of the Board

AKWASI OSSEI NKURUMAH

Dated:

NOTES:

1. Due to the corona virus pandemic and consequent restrictions on public gatherings pursuant to the imposition of Restrictions Act, 2020 (Act 1012) and other regulations, attendance and participation by members or their proxies in the meeting shall be VIRTUAL means (I.e. through an electronic platform with audio –visual capacity which provides members or their proxies reasonable and fair opportunities to participate and engage with the directors and auditors.
2. A Member who is unable to attend the General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy needs not be a shareholder. Completed proxy form should reach the General Manager not less than seventy two (72) hours prior to the time of the meeting.
3. Any shareholder wishing to contest the Directorship position should submit his/her application and CV to the General Manager not less than three (3) days before the meeting.
4. Shareholders are advised to pick up copies of the 2019 Report and Financial Statements at the Head Office and various branches of the Bank.
5. Members are encouraged to submit their questions ahead of the AGM via e-mail to



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info@adansibank.com

Accessing and Voting at the Virtual AGM

Zoom meeting ID and Password will be sent to shareholders by SMS from August 31st, 2020 to give them access to the meeting. Shareholders who do not receive the SMS can contact 0577 361439 or info@adansibank.com any time after September 11th, 2020 but before the date of the AGM to be sent the Meeting ID and Password.



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CORPORATE INFORMATION

Board of Directors	:Mr. Kofi Ampofo Agyapong Mr. Joseph Osei Mr. Samuel Abu-Bonsrah Mr. Ebenezer Adams Mr. Philip Ofori Asante Mr. Kwabena Fosuhene Asante Prof. Stephen Adei
Secretary/ General Manager	:Mr. Akwasi Ossei Nkrumah
Registered Office and Address	:Adansi Rural Bank Limited P. O. Box35 Fomena Adansi
Auditors	:Osei Owusu - Ansah & Associates (Chartered Accountants) P.O. Box KS 1301 Kumasi – Ghana
Bankers	:ARB Apex Bank Limited Cal Bank Limited Access Bank Limited Ecobank Ghana Limited First Atlantic Bank Limited
Management	:Akwasi Ossei Nkrumah- General Manager Kwasi Ameyaw- Head of Banking Operations Michael Asamani-Darko- Head of Credits Perpetual A. Amoah-Compliance and AML Gyamfi Sylvester- Head of Accounts Christian Larweh- Head of Internal Audit Bernice Debrah - Human Resource & Administration



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THE YEAR AT A GLANCE

Major Profit & Loss Account Items	<u>2019</u>	<u>2018</u>	<u>APPROX.</u>
	GH¢	GH¢	PERCENTAGE CHANGE %
Gross Earnings - Interest Income	16,158,270.00	14,643,834.00	10.34
Other Income	132,748.00	37,235.00	256.51
Commission & Fees	2,834,534.00	2,121,672.00	33.60
Interest Expenses	2,539,284.00	1,821,045.00	39.44
Overhead Expenses	14,685,303.00	12,806,285.00	14.67
Loan Impairment Charge	448,644.00	426,040.00	5.31
Profit before Taxation	1,452,322.00	-1,917,134.00	175.75
Profit after taxation	671,244.00	-2,847,836.00	123.57

Major Balance Sheet Items

Total Assets	82,684,987.00	63,498,426.00	30.22
Deposit Liabilities	71,156,200.00	55,419,048.00	28.40
Loans and Advances	38,611,345.00	29,587,399.00	30.50
Investments	20,172,903.00	16,820,000.00	19.93
Shareholders' Funds	4,196,794.00	3,504,317.00	19.76

Per Share Data

Earnings Per Share	0.019	0.000	-
Total Assets Per Share	2.350	1.809	29.90
Shares Issued To Date	35,184,228	35,099,298	0.24
Dividend Per Share	0	0	-
Net Loss per Share	0.00	(0.08)	-



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CHAIRMAN'S REPORT TO SHAREHOLDERS AT THE 30TH ANNUAL GENERAL MEETING HELD AT FOMENA ON SATURDAY 26TH SEPTEMBER, 2020.

INTRODUCTION

Nananom, **Hon. members of Parliament**, Hon. District Chief Executives, Distinguished Guests from the Bank of Ghana, ARB Apex Bank Limited and Association of Rural Banks, President of the Association of Rural and Community Banks, Ashanti Regional Chapter Directors and General Managers from Sister Rural and Community Banks, Fellow Shareholders, Friends from the Media Houses, Ladies and Gentlemen, All Protocols observed.

I am pleased to welcome you to the 30th Annual General Meeting of Adansi Rural Bank Limited and to present to you the Annual Report and Financial Statement of our Bank for the year ended, 31st December, 2019 in accordance with the requirements in the Company's Code 2019 (Act 992).

ECONOMIC REVIEW

Your Bank posted modest results inspite of the continued challenges in the Financial services industry. The Bank of Ghana sought to consolidate the clean up embarked upon in the previous year. This coupled with the continued downward trending of inflation and resultant reduction in interest rates impacted adversely on our performance.

It is against the background that the Bank posted the results presented below.

OPERATIONAL PERFORMANCE

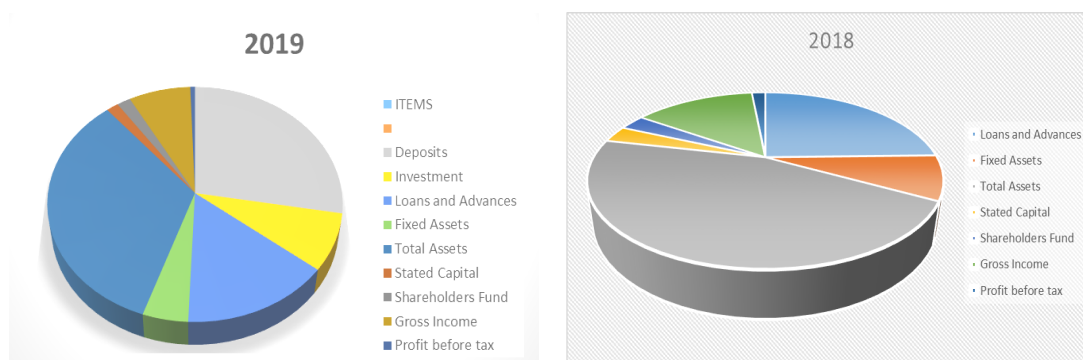
Nananom, Distinguished Guests, Ladies and Gentlemen, Fellow Shareholders, despite the economic challenges in the country during the year under review and as has been alluded to above, your Bank posted modest financial results.

Our Performance in 2019 as compared with 2018 is depicted pictorially below:

ITEMS	2019	2018	PERCENTAGE CHANGE (%)
Total Assets	86,324,987.00	54,769,163.00	58
Shareholders Fund	4,196,794.00	3,504,317.00	20
Stated Capital	3,754,139.00	3,732,907.00	8
Deposits	71,156,200.00	55,419,048.00	29
Loans and Advances	38,611,345.00	29,587,399.00	31
Investment	20,172,903.00	16,820,000.00	20
Fixed Assets	11,737,556.00	9,802,439.00	20
Gross Income	19,041,158.00	16,802,741.00	13
Profit Before Tax	1,452,322.00	-1,917,134.00	176



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TOTALASSETS

The total assets of the bank amounted to GHS86.3Million, in December 2019, representing an increased by 58.00% from GHS54.7million in 2018.

Fixed Assets rose from GHS9.8 million in 2018 to GHS11.7 million in 2019 representing 20.00% increase as we continued to invest to grow sustainably.

SHAREHOLDERS FUND

Shareholders fund increased from GHS3.50 Million in 2019 to GHS4.19 Million in 2019. This represents an increase of 20.0 % during the year under review.

STATED CAPITAL

Fellow shareholders, the stated capital increased to GHS3.75million in 2019 from GHS3.73million

in 2018. This represents an increase of 8.00 % during the year under review. All Stakeholders are encouraged to buy more shares to increase the stated capital.

DEPOSIT

The growth in the Balance sheet was propelled by 29.00% growth in customer deposits from GHS55.419 Million in 2018 to GHS71.156 Million in 2019. The increase was as a result of dedication and mobilization drive embarked upon by Directors and Management.

LOANSANDADVANCES

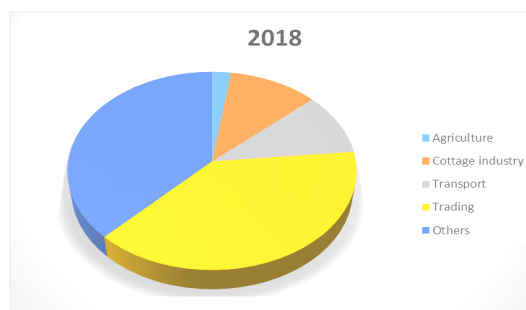
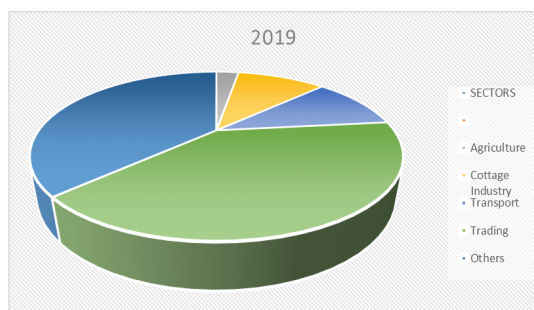
Loans and advances to customers was GHS38.611million up from GHS29.587 million in 2019. This represents an increase of 31.00 % during the year under review.

The sectoral **break** down were as follows:



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SECTORS	2019	PERCENTAGE OF TOTAL LOANS (%)	2018	PERCENTAGE OF TOTAL LOANS (%)
Agriculture	1,003,950.05	2.6	694,992.02	2.35
Cottage Industry	3,938,191.92	10.2	3,240,755.80	10.95
Transport	4,041,394.20	10.47	2,997,773.96	10.13
Trading	15,316,017.06	39.67	11,488,733.78	38.83
Others	14,311,791.60	37.06	11,165,143.58	37.74
Total	38,611,344.83	100	29,587,399.14	100



The **Bank's** non-performing assets was down by 89.04 % from GHS4.23 Million in 2018 to GHS2.92 Million in 2019. This represents 8.00% of the loan portfolio which is within an industrial benchmark of 5.00%. I entreat all loan defaulters to settle their outstanding obligations with the Bank to avoid any punitive measures against them.

INVESTMENT

Investment comprises of treasury bills, bonds and GOG Notes increased from GHS16.570 million in 2018 to GHS20.172 million in 2019. This represents an increase of 20.00% over the period. The Bank had to invest more in securities to enhance profitability.

OPERATIONAL PERFORMANCE

Nananom, Distinguished Guests, Ladies and Gentlemen, Fellow Shareholders, In spite of the challenges, your Bank made a profit before tax of GHS**1,452,322.00** 2019 as against a loss of GHS1,917,134.00 in 2018. We will continue to work hard and **also** diversify the income pattern of the bank to increase profit

DECLARATION OF DIVIDEND

Nananom, Distinguished Guests, Ladies and Gentlemen, Fellow Shareholders, due to Bank of Ghana directive number BG/GOV/SEC/2020/03 for the suspension of dividend declaration and payment for the year 2019 and 2020 as a result covid 19 pandemic, your bank shall not pay dividend for the financial year 2019.



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SOCIAL RESPONSIBILITY

Your Bank continues to offer assistance to communities and institutions within its catchment areas. The major areas that benefited are Education, Health, Sports and Recreation, Security, and agriculture.

NEW DEVELOPMENTS

- **Cocoa finance Project**

Your Bank during the year introduce new product aimed at our cherished cocoa farmers within Adansi areas. This we will provide financial support to cocoa farmers to be able to purchase cocoa input to increased their harvest.

- **Branch Expansion**

Nananom, Fellow Shareholders, your bank has completed the new office complex at obuasi to replace the old premises with modern infrastructure. It is our hope that, this will ease some of the challenges our clients go through in transacting business with us.

BOARD OF DIRECTORS

As required by regulations, Prof Stephen Adei is due to retire as **Director**. However, he has opted for re-election. The Board Members therefore recommend him for re-election.

THE WAY FORWARD

The Board and Management will continue to seek ways of strengthening and developing the Banks' operations to maintain the confidence that our numerous customers and shareholders have in the Bank. We will also intensify loan recovery, deposit mobilization, internal controls and maintain quality assets to increase profitability.

Investments will be diversified to ensure safety and to utilize returns on assets and shareholders' funds. Despite the competition in the banking industry with its numerous challenges facing the industry, your Bank will continue to support its customers.

APPRECIATION

On behalf of the Board of Directors, I wish to express our profound gratitude and thanks to the Management and Staff of the Bank for their contribution to the successful results achieved all these years. Our appreciation also goes to our shareholders, cherished customers and development partners including Bank of Ghana, ARB Apex Bank and Association of Rural Banks who are part of our success story for their continued support and cooperation.

CONCLUSION

Finally, Nananom, Hon. Members of Parliament, District Chief Executives, Distinguished Guests, Fellow Shareholders, Ladies and Gentlemen with the total commitment of the Board, Management and Staff and the strong support and patronage of our customers, our Bank will continue to make great achievements in the subsequent years and contribute strongly to the economic growth and social conditions of the people within our communities.

Thank you and May God bless you all.

VICTOR KOFI AMPOFO AGYAPONG
(BOARD CHAIRMAN)



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DIRECTORS' REPORT TO THE MEMBERS OF

ADANSI RURAL BANK LIMITED

The Directors are pleased to submit their report on the financial statements of Adansi Rural Bank Limited for the year ended 31st December 2019.

Directors' Responsibility Statement

The bank's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statements of financial position at 31 December, 2019 statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) for Small and Medium Enterprises (SMEs) and in the manner required by the Companies Act 2019 (Act 992).

Mr. Kofi Ampofo Agyapong Chairman

Mr. Joseph Osei

Mr. Philip Ofori Asante

Mr. Ebenezer Adams

Mr. Samuel Abu-Bonsrah

Mr. Kwabena Fosuhene Asante

**Prof. Stephen Adei (Appointed on
15th October, 2016)**

Vice Chairman

Member

Member

Member

Member

Member

Financial Result

The financial results of the bank are enclosed on pages 7 to 29

Approval of the Financial Statements

The financial statements of the bank and the notes thereon were approved by the directors on the date stated below.


.....
Director


.....
Director

29-05-2020

.....
Date



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INDEPENDENT AUDITOR'S REPORT

To the shareholders of **ADANSI RURAL BANK LIMITED**

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Adansi Rural Bank Limited which comprise:

- a) the statement of financial position as at 31 December 2019,
- b) the statement of Profit or Loss and other comprehensive income for the year then ended,
- c) the statement of changes in equity for the year then ended,
- d) the statement of cash flows for the year then ended, and
- e) the notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act 2019 (Act 992) and the Banks and Specialized Deposit –Taking Institutions Act 2016 (Act 930)

Emphasis of Matter

We draw attention to the fact that the company impaired investments with some financial institutions totaling **GH¢3,640,000** in the previous year. However, the Directors are of the opinion that those investments would be repaid based on assurances by the Bank of Ghana. The effect of any future repayment would be an increase in equity by **GH¢3,640,000**

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Report and the Directors' Report as required by the Companies Act 2019 (Act 992) but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information as they were not made available to us as at the date of this report and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be



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materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act 2019 (Act 992) and the Banks and Specialized Deposit –Taking Institutions Act 2016 (Act 930), and for such internal control as The Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, The Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless The Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by The Board of Directors.
- Conclude on the appropriateness of The Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with The Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Report on Other Legal and Regulatory Requirements

The Companies Act 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters.

We confirm that,

- i). we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii). in our opinion, proper books of account have been kept by the company as appears from our examination of those books
- iii). the statement of financial position and statement of comprehensive income are in agreement with the books of account and
- iv). we are independent of the company.

.....
Signed by Osei Owusu-Ansah (ICAG/P/1033)
Osei Owusu-Ansah and Associates (ICAG/F/2019/049)
(Chartered Accountants)
Cocobod Jubilee House
P. O. Box KS 1301
Adum - Kumasi


29/05/2020
.....



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INDEPENDENT AUDITOR'S REPORT

To the shareholders of **ADANSI RURAL BANK LIMITED**

Opinion

The condensed financial statements, which comprise the statement of financial position at 31 December 2017, and the statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited financial statements of Adansi Rural Bank Limited for the year ended 31 December 2017.

In our opinion, the accompanying condensed financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis described in the notes.

Condensed Financial Statements

The condensed financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act 1963, (Act 179) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of Adansi Rural Bank Limited. Reading the condensed financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon. The condensed financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited financial statements

The Audited Financial Statements and Our Report Thereon.

We expressed an unmodified audit opinion on the audited financial statements in our report. That the report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the condensed financial statements in accordance with the basis described in the notes.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the condensed financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is **OSEI OWUSU-ANSAH (ICAG/P/1033)**.

.....
For and on behalf of
Osei Owusu-Ansah and Associates (ICAG/F/2018/049)
(Chartered Accountants)
Cocobod Jubilee House
P. O. Box KS 1301
Adum – Kumasi
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ADANSI RURAL BANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	NOTES	<u>2019</u>	<u>2018</u>
<u>Assets</u>		GH¢	GH¢
Cash and short-term funds	12	9,750,232	8,378,983
Short term investments	13	20,172,903	16,820,000
Long term investments	14	41,404	41,404
Loans and advances	15	37,135,111	27,270,973
Other assets	16	6,773,753	3,391,575
Property, plant & equipment	17	7,909,743	7,013,179
Intangible assets	18	901,842	582,310
Total assets		<u>82,684,987</u>	<u>63,498,426</u>
<u>Liabilities</u>			
Deposits from customers	19	71,156,200	55,419,048
Other liabilities	20	2,080,100	2,740,912
Taxation	9	280,250	89,500
Long-term borrowing	21	3,758,529	751,863
Deferred tax liability	10	1,213,114	992,786
Total liabilities		<u>78,488,193</u>	<u>59,994,109</u>
<u>Equity</u>			
Stated capital	22	3,754,139	3,732,907
Statutory reserve	23	2,341,021	2,341,021
Retained earnings	24	(1,947,770)	(2,619,014)
Capital reserve	25	49,404	49,404
Total shareholders' funds		<u>4,196,794</u>	<u>3,504,318</u>
Total liabilities and equity		<u>82,684,987</u>	<u>63,498,426</u>

The financial statements and the notes thereon were approved by the board of directors onand signed on its behalf by

DIRECTOR

DIRECTOR



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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

		<u>2019</u>	<u>2018</u>
		<u>GH¢</u>	<u>GH¢</u>
Interest income	2	16,158,270	14,643,834
Interest expense	3	<u>(2,539,284)</u>	<u>(1,821,045)</u>
Net interest income		13,618,986	12,822,789
Commissions and fees	4	2,834,534	2,121,672
Other operating income	5	<u>132,748</u>	<u>37,235</u>
Total income		16,586,269	14,981,696
Operating expenses	6	(14,685,303)	(12,806,285)
Loan impairment charge	14	(448,644)	(426,040)
Other impairment	7	0	(3,654,714)
Loss on disposal	8	<u>0</u>	<u>(11,792)</u>
Net profit before taxation		1,452,322	(1,917,134)
Provision for taxation	9	(560,750)	(639,640)
Increase in deferred tax liability	10	<u>(220,328)</u>	<u>(291,062)</u>
Net profit after taxation		671,244	(2,847,836)
Other comprehensive income		<u>0</u>	<u>0</u>
Total profit for the year		<u><u>671,244</u></u>	<u><u>(2,847,836)</u></u>
Earnings per share	11	0.02	-0.08

STATEMENT OF CHANGES IN EQUITY

2019

	Stated Capital	Statutory Reserve	Retained Earnings	Capital Reserve	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1 January 2019	3,732,907	2,341,021	(2,619,014)	49,404	3,504,318
Profit for the year	0	0	671,244	0	671,244
Proceeds from shares issued	21,232	0	0	0	21,232
Balance at 31 December 2019	3,754,139	2,341,021	(1,947,770)	49,404	4,196,794

2018

	Stated Capital	Statutory Reserve	Income Surplus	Capital Surplus	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1 January 2018	3,676,025	2,341,021	1,177,159	49,404	7,243,609
Loss for the year	0	0	(2,847,836)	0	(2,847,836)
Prior year tax on bonus shares	0	0	(191,098)	0	(191,098)
Reversal of prior year stale cheques			(56,781)		(56,781)
Dividend paid	0	0	(700,458)	0	(700,458)
Shares issued	56,882	0	0	0	56,882
Balance at 31 December 2018	3,732,907	2,341,021	(2,619,014)	49,404	3,504,318



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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	GH¢	GH¢
Cash flows from operating activities		
Profit for the year	1,452,322	(1,917,134)
Adjustment for:		
Depreciation	1,038,553	1,034,164
Amortisation	289,644	167,189
Prior year tax on bonus shares	0	(191,098)
Reversal of prior year stale cheques	0	(56,781)
Loss on disposal	0	11,792
	2,780,520	(951,869)
Change in loans and advances	(9,864,138)	(5,522,970)
Change in other assets accounts	(3,382,178)	(101,257)
Change in deposits	15,737,152	10,574,281
Change in creditors and accruals	(660,812)	761,848
	4,610,545	4,760,033
Tax paid	(370,000)	(394,625)
Net cash inflow from operating activities	4,240,545	4,365,408
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,935,117)	(1,926,132)
Proceeds from disposal	0	110,000
Purchase of intangible asset	(609,176)	(221,956)
Increase in short term investments	(3,352,903)	(250,000)
Net cash outflow from investing activities	(5,897,196)	(2,288,088)
Cash flows from financing activities		
Issue of shares	21,232	56,882
Dividend paid	0	(700,458)
Long-term borrowings	3,006,666	751,863
Net cash inflow from financing activities	3,027,899	108,287
Net increase in cash and cash equivalents	1,371,248	2,185,607
Cash and cash equivalent at 1st January, 2019	12 8,378,984	6,193,377
Cash and cash equivalent at 31st December, 2019	12 9,750,232	8,378,983



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NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2019.**

1. Reporting Entity

Adansi Rural Bank Limited referred to as the bank in these financial statements is a limited liability company incorporated under the Companies Act 2019 (Act 992) and licensed by the Bank of Ghana with its headquarters at Adansi Fomena in the Ashanti Region of Ghana. The address of its registered office is P. O. Box 35 Adansi- Fomena, Ashanti and the principal place of business is Fomena.

2. Basis of preparation

A. Statement of compliance

The financial statements of the bank have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2019 (Act 992) and the Banks and Specialized Deposit-Taking institutions Act, 2016 (Act 930).

B. Basis of measurement

The financial statements of the bank have been prepared on a historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explain in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in the absence, the most advantageous market to which the bank has access at that date.

When available, the bank measures at fair value for an instrument using the quoted price in an active market for the instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the bank determines the fair value of a financial instrument at initial recognition using normally the transaction price-i.e. the fair value of the consideration given or received.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

C. Functional and presentation currency

The financial statements are presented in Ghana cedi which is also the functional currency of the bank and all values are rounded to the nearest Ghana cedi.

D. Use of estimates and judgments



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In preparing the financial statements, management has made judgments, estimates and assumptions that affect the application of the bank's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and the results are recognized in the current period and any affected future periods.

Assumptions and estimates require higher degree of judgment or complexity and affect the following:

- Useful life of property and equipment
- Net realizable value of inventories
- Recoverability of receivables
- Classification of financial assets

E. Going concern basis

There is nothing to the attention of the directors to indicate that the bank will not remain as a going concern from the date of approval of the financial statements to at least the next twelve months.

3. Summary of significant accounting policies

The significant accounting policies used in the preparation of these financial statements are as follows:

A. Interest income and expenses

Interest income and expenses are recognized in the statement of profit or loss and other comprehensive income for all interest bearing financial instruments including loans and advances as interest accrues using the effective interest rate method.

Thus, interest income and expenses recognized on a financial assets and liabilities respectively, accrue on a time basis, by reference to the principal outstanding and the effective interest rate applicable which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset and or financial liability to their net carrying amount on initial recognition.

B Fees and commissions

Fee and commission are generally recognized on an accrual basis when the service has been provided.

Incomes arising from service fees are recognized as the services are provided

C. Income tax

Tax expense represents the aggregate amount included in the statement of statement of profit or loss and other comprehensive income for the period in respect of current and deferred tax

C1. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the current period using the tax rates enacted at the reporting date and any adjustment to tax payable in



respect of previous years.

C2. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse based on laws that have been enacted by the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

D. Financial assets and liabilities

All financial assets and liabilities are recognized in the statement of financial position and measured in accordance with their assigned category. The bank recognizes loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date which is the date the bank becomes a party to the contractual provisions of the instrument.

D.1. Financial Assets

The bank classifies its financial assets in the following categories; held to maturity, loans and receivables and available-for-sale. Management determines the classification of its financial assets on initial recognition.

D.1a. Held-to-maturity

The bank classifies investments in Government securities and fixed deposits with other financial institutions as held-to-maturity.

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the bank has the positive intent and ability to hold to maturity and which are not designated as fair value through statement of profit or loss or available-for-sale. Held to maturity assets are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at amortized cost using the effective interest method.

Any sale or reclassification of a significant amount of held to maturity asset not close to their maturity would result in the reclassification of all held to maturity assets as available-for-sale, and would prevent the bank from classifying investment securities as held-to-maturity for the current and the following two financial years. Difference between the carrying amount (amortized cost) and the fair value on the date of the reclassification are recognized in other comprehensive income

D.1b. Loans and receivables

Loans and receivables comprise cash and cash equivalent, loans and advances to customers and other assets.

Loans and receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and that the bank does not intend to sell immediately



or in the near term.

Loans and receivables are initially recognized at fair value plus incremental direct transaction costs, and subsequently measured at amortized cost using the effective interest method less any impairment losses.

D.1c. Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices that are not classified as held-to-maturity, at fair value through statement of profit or loss or loan and receivables.

Available-for-sales financial assets comprise investment in equity securities. Unquoted equity securities whose fair value cannot be measured reliably are carried at cost. All other available-for-sale financial assets are measured at fair value after initial recognition.

Interest income on available-for-sale financial assets is recognized in statement of profit or loss using the effective interest method. Dividends on available-for-sale equity instruments are recognized in statement of profit or loss in dividend income when the bank's right to receive payments is established.

Other fair value changes, other than impairment losses are recognized in other comprehensive income and presented in the fair value reserve within equity. When the investment is sold, the gain or loss accumulated in equity is reclassified to statement of comprehensive income.

E. Financial liabilities

The bank classified its financial liabilities as financial liabilities measured at amortized cost.

Financial liabilities measured at amortized cost include deposits from customers, other liabilities and borrowings for which the fair value option is not applied.

F. Derecognition

F.1. Financial asset

The bank derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risk and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial asset that is created or retained by the bank is recognized as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in statement of profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the bank is recognized as a separate asset or liability.



F.2. Financial liabilities

The Company derecognizes a financial liability when its contractual obligation are discharged or cancelled or expired.

G. Impairment of financial assets

G.1. Assets carried at amortized cost

The bank assesses whether there is objective evidence that a financial asset is impaired at each reporting date. A financial asset is considered impaired only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset and that loss event (or events) has an impact on estimated future cash flows of the financial asset that can be reliably estimated.

The criteria used to determine whether there is objective evidence of an impairment loss include:

- significant financial difficulty faced by the issuer or obligor;
- a breach in the form of default or delinquency in interest or principal payment;
- granting the borrower, as a result of financial difficulty, a concession that the lender would not otherwise consider;
- a likely probability that the borrower will enter bankruptcy or other financial reorganization;
- and the disappearance of an active market for that financial asset because of financial difficulties.

The bank assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

G.2. Assets classified as available-for-sale

The bank assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired at each reporting date. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss

The bank is yet to determine what a reasonable decline in percentage and period is acceptable.

Impairment losses are recognized by reclassifying the losses accumulated in the fair value reserve in equity to statement of profit or loss. The cumulative loss that is reclassified from equity to



statement of profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss on that financial asset previously recognized in statement of comprehensive income.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can objectively be related to an event occurring after the impairment loss was recognized in statement of profit or loss, the impairment loss is reversed through other comprehensive income.

H. Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances held with ARB Apex Bank/ Bank of Ghana, other bank balances and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and used by the bank in the management of its short term commitment.

I. Property, plant and equipment

I.1. Recognition and measurement

Items of property, plant and equipment, are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the assets. Purchased software that is necessary to the functionality of the related equipment is capitalized as part of that equipment.

Any gain or loss on disposal of an item of property plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in statement of profit or loss.

I.2. Subsequent costs

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the bank and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.

I.3. Depreciation

Parts of items of property or equipment with different useful lives are accounted for as separate items (major components) of property and equipment.

Depreciation is recognised in the statement of profit or loss pro-rata, on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.



The estimated useful lives are as follows:

	Useful lives
Head office Buildings	33.33 years
Office equipment	4.00 years
Furniture, fittings and fixtures	5.00 years
Computers and accessories	3.03 years
Motor vehicles and bikes	5.00 years
Generators and Plant	3.03 years
Investment to rented premises	10.00 years

I.4. Capital work in progress

Property and equipment under construction is stated at initial cost and depreciated the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate category of property and equipment when commissioned and ready for its intended use.

1.5 Intangible assets

Computer software

Intangible assets comprise computer software licenses. Software acquired by the bank is measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on software is capitalized only when it increases future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortized on a straight line basis in statement of profit or loss over its estimated useful life, from the date it is available for use

Useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. At the end of each reporting period, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analyzed to assess whether their carrying amount is fully recoverable. An impairment loss is recognized if the carrying amount exceeds the recoverable amount

I.6. Impairment of assets

The bank's assets are carried at not more than their recoverable amounts and all assets other than inventories,, deferred tax assets, employee benefits, financial assets, investment property, and assets held for sale are impaired when their carrying amount exceed their recoverable amounts.

The carrying amounts of the bank's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount.

The indicators of impairment are both internal and external described as follows:

An internal indicator gives evidence of obsolescence or physical damage and include;



- discontinuance, disposal or restructuring plans.
- declining assets performance.

External indicator shows a significant decline in market value and include;

- changes in technological, market, economic or legal environment.
- Changes in interest rates.
- Low market capitalization.

The recoverable amount is the greater of its value in use and its fair value less cost to sell.

A previously recognized impairment loss is reversed where there has been a change in circumstances or on the basis of estimates used to determine the recoverable value, but only to the extent that the asset's net carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

J. Employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. Obligation for contributions to defined contribution pension plans are recognized as personnel expenses in statement of profit or loss in the period during which related services are rendered.

The bank has the following defined contribution schemes:

J.1. Social security and national insurance trust

Under this scheme the bank contributes 13% of employees' basic salary to the Social Security and National Insurance Trust for employee pensions. The bank's obligation is limited to the relevant contributions which have been recognized in the financial statements. The pension liabilities and obligations however rest with Social Security and National Insurance Trust

J.2. Provident Fund

The bank has a Provident Fund Scheme for their employees. Employees contribute 5% of their basic salary to the fund whilst the bank contributes 5%. These monies are invested in third parties and the bank has no further obligation under the scheme.

K. Provisions and contingent liabilities

Provisions

Provision is recognized if, as a result of a past event, the bank has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of the economic benefits will be required to settle the obligation. Provisions are not recognized for future operating losses.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not



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wholly within the control of the bank or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

L. Earnings per share

The bank presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated as the ratio of the basic earnings to the number of the weighted average ordinary shares outstanding during the period.



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>2019</u>	<u>2018</u>
	GH¢	GH¢
2 <u>Interest income</u>		
Investments	2,835,711	3,201,851
Loans and overdrafts	<u>13,322,559</u>	<u>11,441,984</u>
	<u>16,158,270</u>	<u>14,643,834</u>
3 <u>Interest expenses</u>		
Interest on deposit liabilities	<u>2,539,284</u>	<u>1,821,045</u>
	<u>2,539,284</u>	<u>1,821,045</u>
4 <u>Commission and fees</u>		
Commitment fees	682,053	712,774
Cheques clearing fees	18,594	15,185
Commission	2,063,073	1,359,582
Commission on Akuafo cheques	<u>70,814</u>	<u>34,131</u>
	<u>2,834,534</u>	<u>2,121,672</u>
5 <u>Other operating income</u>		
SMS charges	27,803	0
Income earned on money transfers	104,946	37,235
Decrease in provision for bad debt	<u>0</u>	<u>0</u>
	<u>132,748</u>	<u>37,235</u>



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NOTES TO THE FINANCIAL STATEMENTS
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	2019	2018
	GH¢	GH¢
6 Operating expenses		
Directors emoluments	351,033	297,308
Board meeting expenses	433,620	220,299
Salaries, wages and allowances	4,228,904	4,027,988
Staff fuel allowance	164,706	172,735
Staff car maintenance allowance	184,790	190,953
Staff bonus	0	600,000
Staff welfare	968,688	528,852
SSF contribution	693,683	660,843
Staff training expenses	84,206	67,000
Medical expenses	34,053	30,186
Travelling and transport	339,090	338,312
Audit fees accrued	10,000	10,000
NHIL , GET fund levy and VAT on Audit fee	1,813	1,813
Printing and stationery	343,206	319,597
Repairs and maintenance - general	76,984	61,789
Bank vehicle running expenses	298,153	217,444
Micro finance expenses	93,084	54,309
P self-expenses	535,010	257,485
Generator expenses	54,830	55,547
Rent and rate and taxes	222,844	157,970
Postage and telecommunication	231,376	144,910
Insurance premium charges	149,793	90,636
Electricity and water charges	354,503	429,672
Entertainment/business development cost	325,111	129,594
Subscriptions/periodicals	34,984	48,205
Donation	31,960	28,090
Specie movement expenses	9,467	7,620
Security expenses	372,415	335,865
Office expenses	307,129	223,877
Internal audit expenses	72,000	50,832
AGM expenses	72,898	66,358
Adverts and publicity	186,601	138,325
Legal expenses	17,500	9,400
Bank charges	171,039	154,403
Computerization expenses	182,625	141,349
Loan recovery expenses	153,374	93,496
Susu expenses	1,442,631	1,104,363
Mobilization expenses	1,335	1,495
Out of station expenses	89,640	119,240
Anniversary expenses / Cashiers overs	120	215
Cleaning and sanitation	31,908	16,557
Amortisation	289,644	167,189
Depreciation	1,038,553	1,034,164
	<u>14,685,303</u>	<u>12,806,285</u>



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>2019</u>	<u>2018</u>
	<u>GH¢</u>	<u>GH¢</u>
7 Other impairment		
Mcottley Capital Limited investments	0	2,730,000
Brooks Asset Management investments	0	910,000
Tigo Mobile Money	0	14,714
	<u>0</u>	<u>3,654,714</u>

8 Loss on disposal:

Cost of motor vehicle	0	197,500
Accumulated depreciation	0	75,708
Carrying amount	0	121,792
Proceeds from disposal	0	110,000
Loss on disposal	<u>0</u>	<u>(11,792)</u>

9 Taxation

	Balance as at 1/1/2019 GH¢	Payments made GH¢	Charged to statement of profit or loss GH¢	Balance as at 12/31/2019 GH¢
2019				
Tax charged	89,500	(370,000)	560,750	280,250
	<u>89,500</u>	<u>(370,000)</u>	<u>560,750</u>	<u>280,250</u>

	Balance as at 1/1/2018 GH¢	Payments made GH¢	Charged to statement of profit or loss GH¢	Balance as at 12/31/2018 GH¢
2018				
Tax charged	(155,515)	(394,625)	639,640	89,500
	<u>(155,515)</u>	<u>(394,625)</u>	<u>639,640</u>	<u>89,500</u>

The tax positions are subject to the agreement with the Ghana Revenue Authority



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a. Deferred tax liability

Balance at 1 January 2019	992,786	701,724
Increase in deferred tax liability	220,328	291,062
Balance at 31 December 2019	1,213,114	992,786

b. PPE WDV per accounts	7,909,743	7,013,179
PPE WDV per tax (capital allowance computation)	3,057,287	3,042,035
Temporal difference	4,852,456	3,971,144

Deferred tax liability (25% of temporal difference)	1,213,114	992,786
Deferred tax liability 2018	992,786	701,724
Decrease in deferred tax liability	220,328	291,062

Earnings per share

Net profit or loss for the year	671,244	(2,847,836)
Number of shares issued	35,184,228	35,099,298
Earning per share	GH¢ 0.02	-0.08



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	GH¢	GH¢
12 Cash and short-term funds		
Cash on hand	3,715,844	2,669,037
Other banks	141,826	78,849
Apex bank clearing account	132,889	1,338,555
Apex bank deposit account	3,354,673	2,677,542
Apex certificate of deposit (ACOD)	2,405,000	1,615,000
	9,750,232	8,378,983
13 Short term investments		
Government treasury bills and notes	12,662,903	7,750,000
Investment with other financial institutions	7,510,000	9,070,000
	20,172,903	16,820,000
14 Long term investment		
ARB Apex bank -shares	41,404	41,404
	41,404	41,404
15 Loan and advances		
Overdraft	5,146,343	8,665,671
Loans	33,465,002	20,921,728
	38,611,345	29,587,399
Provision for bad and doubtful debts 15b.	(1,476,234)	(2,316,426)
	37,135,111	27,270,973
15b. Impairment loss		
Provision as at January 1 2019	2,316,426	1,890,386
Bad debt written off	(771,314)	0
Recoveries from bad debt	(517,522)	0
Increase in provision	448,644	426,040
Provision as at December 31 2019	1,476,234	2,316,426
16 Other asset accounts		
Stationery stock	434,228	313,394
Insurance prepaid	27,376	32,392
Rent prepaid	1,394,258	820,012
Interest and commission accrued	287,705	341,566
Interest in arrears	462,302	0
Ezwich operation	451,333	78,879
Accrued interest receivable on investment	2,458,664	1,383,961
Interest accrued Pself loan	1,257,887	421,371
	6,773,753	3,391,575

ADANSI RURAL BANK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17 Property, plant & equipment

	<u>2019</u>		Head office buildings	Office equipments	Furniture, fixture & fittings	Computer and accessories	Motor vehicles and bikes	Generators and plant	Investment premises	ATM	Total
<u>Cost</u>	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1 January 2019	52,000	2,350,017	1,088,948	254,116	403,291	890,332	0	3,388,243	1,375,492	9,802,439	
Additions	0	36,350	129,297	1,600	284,608	67,600	150,888	882,147	382,626	1,935,117	
Balance at 31 Dec. 2019	52,000	2,386,367	1,218,245	255,716	687,899	957,932	150,888	4,270,390	1,758,118	11,737,556	

Depreciation

Balance at 1 January 2019	0	308,623	414,634	114,850	169,324	467,102	0	1,314,727	0	2,789,260	
Charge for the year	0	69,414	286,006	46,807	140,579	213,473	31,132	251,142	0	1,038,553	
Balance at 31 Dec. 2019	0	378,037	700,640	161,657	309,903	680,575	31,132	1,565,869	0	3,827,813	

Carrying amount at

December 31, 2019.	52,000	2,008,330	517,605	94,058	377,997	277,357	119,756	2,704,521	1,758,118	7,909,743	
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17 b Property, plant & equipment

2018

	Land	Head office buildings	Office equipments	Furniture, fixture & fittings	Computer and accessories	Motor vehicles and bikes	Generators and plant	Investment premises	ATM	
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	Total
Cost										
Balance at 1 January 2018	52,000	2,350,017	1,086,701	263,918	571,017	1,034,344	74,601	3,359,943	0	8,792,541
Additions	0	0	288,384	18,190	162,278	53,488	0	28,300	1,375,492	1,926,132
Disposal	0	0	0	0	0	(197,500)	0	0	0	(197,500)
Assets written off	0	0	(286,137)	(27,992)	(330,004)	0	(74,601)	0	0	(718,734)
Balance at 31 Dec. 2018	52,000	2,350,017	1,088,948	254,116	403,291	890,332	0	3,388,243	1,375,492	9,802,439

Depreciation

Balance at 1 January 2018	0	238,123	439,572	97,420	339,172	349,893	60,445	1,024,913	0	2,549,538
Charge for the year	0	70,500	261,199	45,422	160,156	192,917	14,156	289,814	0	1,034,164
Disposal	0	0	0	0	0	(75,708)	0	0	0	(75,708)
Assets written off	0	0	(286,137)	(27,992)	(330,004)	0	(74,601)	0	0	(718,734)
Balance at 31 Dec. 2018	0	308,623	414,634	114,850	169,324	467,102	0	1,314,727	0	2,789,260

Carrying amount at

December 31, 2018.	52,000	2,041,394	674,314	139,266	233,967	423,230	0	2,073,516	1,375,492	7,013,179
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ADANSI RURAL BANK LIMITED.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>2019</u>	<u>2018</u>
	<u>GH¢</u>	<u>GH¢</u>
18 Intangible assets		
<u>Cost</u>		
Balance at 1 January 2019	819,292	597,336
Additions	609,176	221,956
Balance at 31 Dec. 2019	<u>1,428,468</u>	<u>819,292</u>
<u>Amortisation</u>		
Balance at 1 January 2019	236,982	69,793
Charge for the year	289,644	167,189
Balance at 31 Dec. 2019	<u>526,626</u>	<u>236,982</u>
<u>Carrying amount at</u>		
31 December, 2019.	<u>901,842</u>	<u>582,310</u>
19 Deposits from customers		
Savings account	22,283,464	16,393,594
Current accounts	13,289,047	10,192,478
Time deposit	14,479,269	13,647,998
Susu	21,104,420	15,184,978
	<u>71,156,200</u>	<u>55,419,048</u>
20 Other liabilities		
Accrued interest liabilities	589,296	413,224
Interest in suspense	296,789	0
Office account	456,731	675,913
Audit fees accrued	11,813	10,000
NHIL , GET fund levy and VAT on Audit fee	0	1,813
Unearned discount on treasury bills	150,663	180,426
Staff fund	565	27,674
Development fund	0	6,896
Social responsibility	51	0
Ghana revenue authority-WHT	324,115	330,274
Seed money	5,988	787
Bill payables	118,867	115,126
Dividend payable	125,223	165,515
Uncleared effect	0	395,561
Central Bank	0	417,702
	<u>2,080,100</u>	<u>2,740,912</u>



ADANSI RURAL BANK LIMITED.
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ADANSI RURAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>2019</u>	<u>2018</u>
	<u>GH¢</u>	<u>GH¢</u>
21 Long-term borrowing		
Borrowing from Apex Bank	835,403	751,863
Borrowing from Apex Bank (T24)	173,126	0
Borrowing from Commercial Bank (FABL)	2,750,000	0
	<u>3,758,529</u>	<u>751,863</u>

22 Stated capital

	<u>2019</u>	<u>2018</u>
Authorized shares of no par value	100,000,000	100,000,000
Issued ordinary shares	<u>35,184,228</u>	<u>35,099,298</u>
	<u>Proceeds</u>	<u>Proceeds</u>
	<u>GH¢</u>	<u>GH¢</u>
Cash consideration		
Preference shares	13	13
Ordinary shares	3,754,126	3,732,894
	<u>3,754,139</u>	<u>3,732,907</u>

There were no shares in treasury nor unpaid installment or call on any of the shares

23 Statutory reserve

This is in compliance with sec 34 (1) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)

24 Retained Earnings

This represents the cumulative annual profits that are available for distribution to shareholders

25 Capital reserve

This represents bonus shares received from Apex bank and treated as capital reserve per ARB Apex bank's directive

ADANSI RURAL BANK LIMITED

COMPUTATION OF CAPITAL ALLOWANCES - 2019

<u>Assets</u>	<u>Pool</u>	<u>Rate</u>	<u>WDV b/f</u>		<u>Additions</u>		<u>Total</u>	<u>Allowance</u>		<u>Residue C/F</u>
			<u>GH¢</u>		<u>GH¢</u>		<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>	
Computers	(1)	40%	359,231		284,608		643,840	257,536		386,304
Motor vehicle	(2)	30%	37,442		67,600		53,488	16,046		37,442
Furniture fittings and equipment	(3)	20%	740,363		664,411		1,404,775	280,955		1,123,820
Building a	(4)	10%	221	0		221		221		0
Building b	(4)	10%	771	0		771		771		0
Building c	(4)	10%	1,434	0		1,434		1,434		0
Building d	(4)	10%	3,063	0		3,063		3,063		0
Building e	(4)	10%	270	0		270		270		0
Building f	(4)	10%	84,798	0		84,798		84,798		0
Building g	(4)	10%	26,741	0		26,741		26,741		0
Building h	(4)	10%	39,294	0		39,294		39,294		0
Building i	(4)	10%	327,637	0		327,637		65,528		262,109
Building j	(4)	10%	431,498	0		431,498		71,916		359,582
Building k	(4)	10%	576,674	0		576,674		82,381		494,293
Building l	(4)	10%	412,597	0		412,597		51,575		361,023
Building n	(4)	10%	0	36,350		36,350		3,635		32,715
			3,042,035	1,052,970		4,043,451		986,164		3,057,287



ADANSI RURAL BANK LIMITED.
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COMPUTATION OF TAX LIABILITY - 2019

	GH¢	GH¢
Net profit per accounts		1,452,322
<u>Add back</u>		
Amortisation	289,644	
Depreciation	1,038,553	
Provision for bad & doubtful debts	448,644	
		<u>1,776,842</u>
Adjusted net profit		3,229,164
Less: capital allowances		<u>986,164</u>
		<u>2,243,000</u>
Chargeable income		
Tax thereon at 25%		<u>560,750</u>



ADANSI RURAL BANK LIMITED.
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AT THE 30TH ANNUAL GENERAL MEETING
OF THE ADANSI RURAL BANK LIMITED
to be held at the bank premises

- (1) In the case of joint holders, each should sign.
- (2) If executed by a Corporation, the Proxy Form should bear its Common Seal or signed on its behalf by a Director.
- (3) Completed proxy form should reach the Secretary, Adansi Rural Bank Limited not less than seventy two (72) hours to the time of the meeting

For Company's Use	No. of Shares	
RESOLUTION	FOR	AGAINST
1. A resolution approving the statement of affairs and Financial Reports for 2019 and adopting same as working document for this year's Annual General Meeting.		
2. A resolution to fix Dividends for year 2019		
3. A resolution authorizing the Board of Directors of Adansi Rural Bank to fix External Auditors fees.		
4. A resolution of Shareholders of Adansi Rural Bank to fix the Directors fees and Sitting Allowance.		
Please indicate with "X" in the appropriate square how you wish your votes to be cast on the resolution referred to above Unless otherwise instructed the proxy will vote or abstain from voting at his discretion.		